

**MINUTES OF THE MEETING OF
THE PARTNERSHIPS AND LIMITED LIABILITY COMPANIES COMMITTEE
OF THE BUSINESS LAW SECTION OF THE CALIFORNIA STATE BAR**

January 18, 2007

Ed Gartenberg, Chair of the Committee, called the meeting to order at 10:00 A.M. Members present were Ed Gartenberg, Chair, Charles McKee, Secretary, Brad Brigante, Stephen Halper, and Phil Jelsma. Also present by invitation of the Chair were Alan Duboff, Executive Committee Liaison, and Derrick Britt, Corporations Committee Liaison.

I. Administrative Matters

A. Membership. Ed Gartenberg announced that the Executive Committee had approved the appointment of Charles McKee to a three-year term on the Committee.

B. Executive Committee. Alan Duboff announced that January 31 is the deadline to submit proposals to the Executive Committee for CLE classes to be presented at the Annual State Bar Meeting, to be held at Anaheim in September 2007.

C. Corporations Committee. Derrick Britt announced that the Corporations Committee had sent an e-mail blast on January 16 regarding the statutory change eliminating the requirement to obtain a tax clearance certificate for California entities that are dissolving. He also reported that the committee had submitted a draft proposal for attorney-client waivers to the Executive Committee.

II. Subcommittee Reports

A. Publications Subcommittee (Ed Gartenberg, Chair).

1. *CEB Selecting and Forming Business Entities.*

(a) Chapter 5, General Partnerships: Brad Rogerson. Ed Gartenberg reported that he believed that the draft is due January 20, but did not know the status.

(b) Chapter 8, Limited Partnerships: Ed Gartenberg and Ellis Wasson. Ed Gartenberg reported that the draft is due in February, but may be delayed.

(c) Chapter 11, Limited Liability Companies: Charles McKee. He reported that he had submitted a draft to CEB, and that Brad Rogerson and Eric Sternberger volunteered to review the draft. The final version is due March 1.

(d) Chapter 12, Converting to a Limited Liability Company: Brad Brigante. He reported that he had submitted a draft to CEB in December. He agreed to circulate the draft to the Committee for the members to review.

2. *Guide to Forming and Operating a Limited Partnership in California*. Ed Gartenberg announced that the outline of the Guide was not ready, and that a discussion of this project would be deferred until the next Committee meeting.

B. Education Projects (Ed Gartenberg, Chair).

1. California CPA Education Foundation. They will be contacted to discuss joint projects. The Committee will discuss any developments at the next meeting.

2. National Business Institute. Ed Gartenberg announced that the National Business Institute is holding seminars about corporations and limited liability companies in Los Angeles in June and Irvine in July. Anyone interested to be a presenter should contact him.

C. Legislation Subcommittee (Phil Jelsma, Chair).

Statutory Trusts. Phil Jelsma reported that the proposed legislation for statutory trusts had been submitted to the Executive Committee last spring, and had been sent to several of the standing committees for review. There does not appear to be any comments to the proposal from any of the standing committees. Phil also stated that NCCUSL will consider the final proposal for uniform statutory trust legislation this summer.

D. Webpage Subcommittee (Charles McKee, Chair). Alan Duboff will provide Charles McKee with the contact at the State Bar to update the Committee's webpage.

III. Case Law Developments

Ed Gartenberg announced a procedural change. Each month, a Committee member would be designated to research new case law developments and report to the Committee for discussion, instead of the current haphazard manner. Phil Jelsma volunteered to present case law developments at the February meeting, and Ed Gartenberg volunteered to do the same at the March meeting.

IV. Practice Issues

Steve Halper asked the members of the Committee whether it was beneficial to hold annual meetings for an LLC, even if the operating agreement has no such requirement. Members listed several advantages, including documenting events and increasing attorney-client communications. The chief disadvantage would be that there may be an implied condition to continue to hold annual meetings, with adverse consequences if meetings are not held.

There being no further business to come before the Committee, Ed Gartenberg declared the meeting adjourned at 10:30.